

S.E.L.F.

SELF Annual Budget Planner

Systematic Expansion of Leveraged Financing

John & Jane Doe

This page must be completed by a SELF Administrator

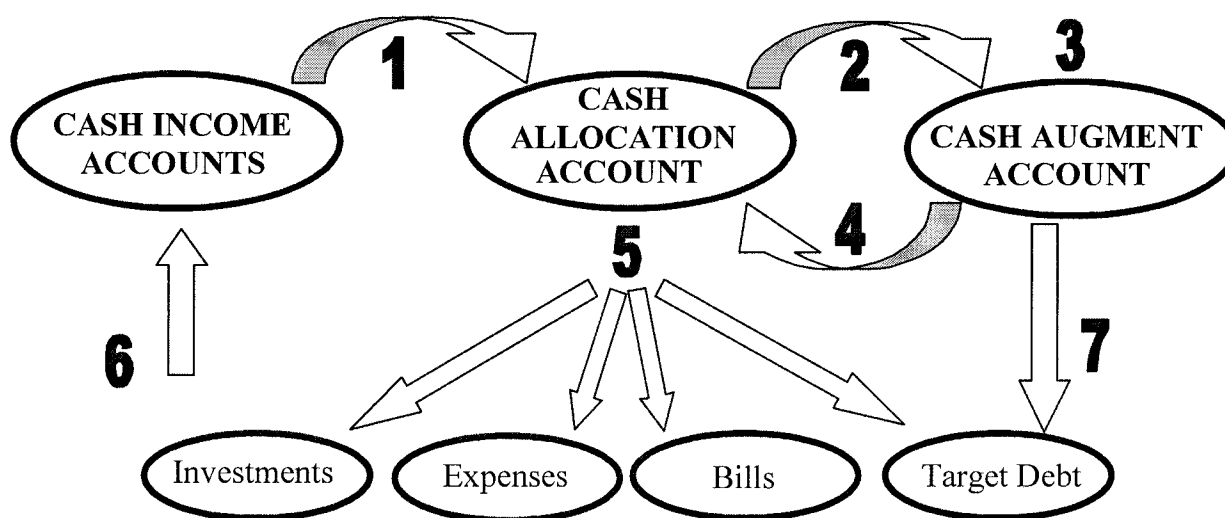
ENTER START HERE >	DATE	Item Description	ALL Income	SELF pays	CARD pays	PAY LOAN	Loan Balance	Daily %	Comment
Month 1	1-Oct Fri	Residence Mortgage		869.98			-114,203	-19.08	
	2-Oct Sat	Life Insurance		334.00			-114,203	-19.03	
	3-Oct Sun	Water		61.18			-114,203	-19.03	
	4-Oct Mon	BANK FEE					-114,203	-19.03	
	5-Oct Tue	Rental Income	720.50				-114,203	-19.03	
	6-Oct Wed	WACHOVIA EQUITY LINE					-114,203	-19.03	REPLACE THIS PAYMENT
	7-Oct Thu	GROCERY		100.00			-114,203	-19.03	W/ SELF
	8-Oct Fri	Rental Mortgage		577.14			-114,203	-19.03	
	9-Oct Sat	Citgo Gas			85.00		-114,203	-19.03	
	10-Oct Sun						-114,203	-19.03	
	11-Oct Mon						-114,203	-19.03	
	12-Oct Tue	MEDICAL/DRUGS		115.00			-114,203	-19.03	
	13-Oct Wed	CHASE VISA		4,850.00			-114,203	-19.03	PAID IN FULL
	14-Oct Thu	GROCERY		100.00			-114,203	-19.03	
	15-Oct Fri	Charles & Priscilla salaries	2,179.89				-114,203	-19.03	
	16-Oct Sat	WACHOVIA VISA		700.00			-114,203	-19.03	PAID IN FULL
	17-Oct Sun	Auto Insurance		213.25			-114,203	-19.03	
	18-Oct Mon	NEA MC		100.00			-114,203	-19.03	NEXT TARGET
	19-Oct Tue						-114,203	-19.03	
	20-Oct Wed						-114,203	-19.03	
	21-Oct Thu	Phone/Cable,internet,		199.56			-114,203	-19.03	
	22-Oct Fri	GROCERY		100.00			-114,203	-19.03	
	23-Oct Sat						-114,203	-19.03	
	24-Oct Sun	Auto Insurance		17.77			-114,203	-19.03	
	25-Oct Mon	Electric, home fuels, cell		277.38			-114,203	-19.03	
	26-Oct Tue						-114,203	-19.03	
	27-Oct Wed	HALLOWEEN		10.00			-114,203	-19.03	
	28-Oct Thu	GROCERY		100.00			-114,203	-19.03	
	29-Oct Fri	Charles, Pris salaries & Pension	3,681.47				-114,203	-19.03	
	30-Oct Sat	PAYMENT					-114,203	-19.03	
	31-Oct Sun	BIRTHDAYS					-114,203	-19.03	
Month 2	1-Nov Mon	Residence Mortgage		869.98			-113,904	-19.03	
Month 12	31-Aug Wed	BIRTHDAYS SEPT		75.00			-91,190	-15.37	
	1-Sep Thu	Residence Mortgage		869.98			-91,892	-15.37	
	2-Sep Fri	Life Insurance		334.00			-91,892	-15.32	
	3-Sep Sat	Water		61.18			-91,892	-15.32	
	4-Sep Sun	BANK FEE					-91,892	-15.32	
	5-Sep Mon	Rental Income	720.50				-91,892	-15.32	
	6-Sep Tue	WACHOVIA EQUITY LINE					-91,892	-15.32	
	7-Sep Wed	GROCERY		100.00			-91,892	-15.32	
	8-Sep Thu	Rental Mortgage		577.14			-91,892	-15.32	
	9-Sep Fri	Citgo Gas			85.00		-91,892	-15.32	
	10-Sep Sat						-91,892	-15.32	
	11-Sep Sun						-91,892	-15.32	
	12-Sep Mon						-91,892	-15.32	
	13-Sep Tue						-91,892	-15.32	
	14-Sep Wed	GROCERY		100.00			-91,892	-15.32	
	15-Sep Thu	Charles & Priscilla salaries	2,179.89	800.00		X	-91,092	-15.32	RESIDENCE NOTE
	16-Sep Fri						-91,092	-15.18	
	17-Sep Sat	Auto Insurance		213.25			-91,092	-15.18	
	18-Sep Sun						-91,092	-15.18	
	19-Sep Mon						-91,092	-15.18	
	20-Sep Tue						-91,092	-15.18	
	21-Sep Wed	Phone/Cable,internet,		199.56			-91,092	-15.18	
	22-Sep Thu	GROCERY		100.00			-91,092	-15.18	
	23-Sep Fri						-91,092	-15.18	
	24-Sep Sat	Auto Insurance		17.77			-91,092	-15.18	
	25-Sep Sun	Electric, home fuels, cell		277.38			-91,092	-15.18	
	26-Sep Mon						-91,092	-15.18	
	27-Sep Tue						-91,092	-15.18	
	28-Sep Wed	GROCERY		100.00			-91,092	-15.18	
	29-Sep Thu	Charles, Pris salaries & Pension	3,681.47				-91,092	-15.18	
	30-Sep Fri	PAYMENT					-91,092	-15.18	
	1-Oct Sat	Residence Mortgage		869.98			-90,787	-15.18	

Fig. 1
Budget Plan

item	balance	score	rate	score	term	score	monthly	score	rating	order
mortgage	125000	15	5.5	10	30	15	720	15	55	6
visa	7000	13	14	15	5	12	65	10	50	3
discover	3000	10	12	14	5	12	90	11	47	1
student	5000	11	6	11	10	14	150	12	48	2
auto	8000	14	8	12	7	13	210	13	52	5
personal	6000	12	9	13	5	12	215	14	51	4

Target 1 discover
 Target 2 student
 Target 3 visa
 Target 4 personal
 Target 5 auto
 Target 6 mortgage

Fig.2
Debt Ranking



1. Income, illustrated as Cash Income Accounts, is transferred to the Cash Allocation Account.
2. The Cash Allocation Account pays ALL income received to the Cash Augment Account prior to making any expense payments.
3. The Annual Budget Planner defines the total annual income and expenses and the immediate income and expenses (7, 10, 15, 30 days). The immediate expenses define the current cash needs amount.
4. The current cash needs amount is transferred from the Cash Augment Account to the Cash Allocation Account as defined by the Annual Budget Planner.
5. The Cash Allocation Account makes the usual expenses & debt payments.
6. The Annual Budget Planner identifies specific dates and amounts to make extra payments to principal only for any installment loan targeted for accelerated pay down. Extra payment amount can transferred to, then paid from the Cash Allocation Account or paid directly from the Cash Augment Account .
7. The Cash Income accounts are serviced as investment expenses from the Cash Allocation Account. Continue until the Target Debt is eliminated then identify the next target using the Annual Budget Planner.

Fig.3
Cash Flow Process

<p> I = income E = expenses r = risk factor A = cash reserve B = current cash balance d = day of occurrence L = cash reserve balance </p>
--

$A_{(0)}$ is the cash reserve at day 0 or the initial cash reserve amount multiplied by r the risk factor (ranges 10% to 40%) then add $I_{(0...d)}$ income received from day 0 to day of occurrence and minus $E_{(0...d)}$ expenses paid from day 0 to day of occurrence to define $L_{(d)}$ the Available Amount for Leveraging on day (d)

$$A_{(0)}r + I_{(0...d)} - E_{(0...d)} = L_{(d)}$$

$A_{(0)}$ is the initial cash reserve amount add $I_{(0...d)}$ income received from day 0 to day of occurrence and minus $E_{(0...d)}$ expenses paid from day 0 to day of occurrence to define $B_{(d)}$ the current cash reserve balance on day (d) .

$$A_{(0)} + I_{(0...d)} - E_{(0...d)} = B_{(d)}$$

When the Available Amount for Leveraging formula is used to define specific payment occurrences on day (d) the result is a Floating Payment formula that functions on two conditions;

Condition a) if the initial cash reserve amount is greater than $B_{(d)}$ the current balance then the extra payment amount on day (d) is 0.

$$A_{(0)} > B_{(d)} = 0$$

Condition b) if the initial cash reserve balance is equal to or less than $B_{(d)}$ the current balance then the extra payment amount on day (d) is $L_{(d)}$.

$$A_{(0)} \leq B_{(d)} = L_{(d)}$$

Fig.4
Floating Payments

Debt	Amount	Term in years	Rate	Monthly service	number of regular payments	total amount of regular payments	total amount of extra payments	total cash outlay	paid interest cost	saved interest cost	saved number of payments	saved amount of payments
personal loan	10,000	5	8%	207.58	60	12,454.80		12,454.80	2,454.80			
mortgage	120,000	30	5.50%	681.35	360	245,286.00		245,286.00	125,286.00			
personal loan	10,000	5	8%	207.58	10	2,075.80	8,300.00	10,375.80	365.61	2,089.19	50	10,379.00
mortgage	120,000	30	5.50%	681.35	54	36,792.90	101,000.00	137,792.90	17,191.02	108,094.98	306	208,493.10
TOTALS								148,168.70	17,556.63	110,184.17		218,872.10

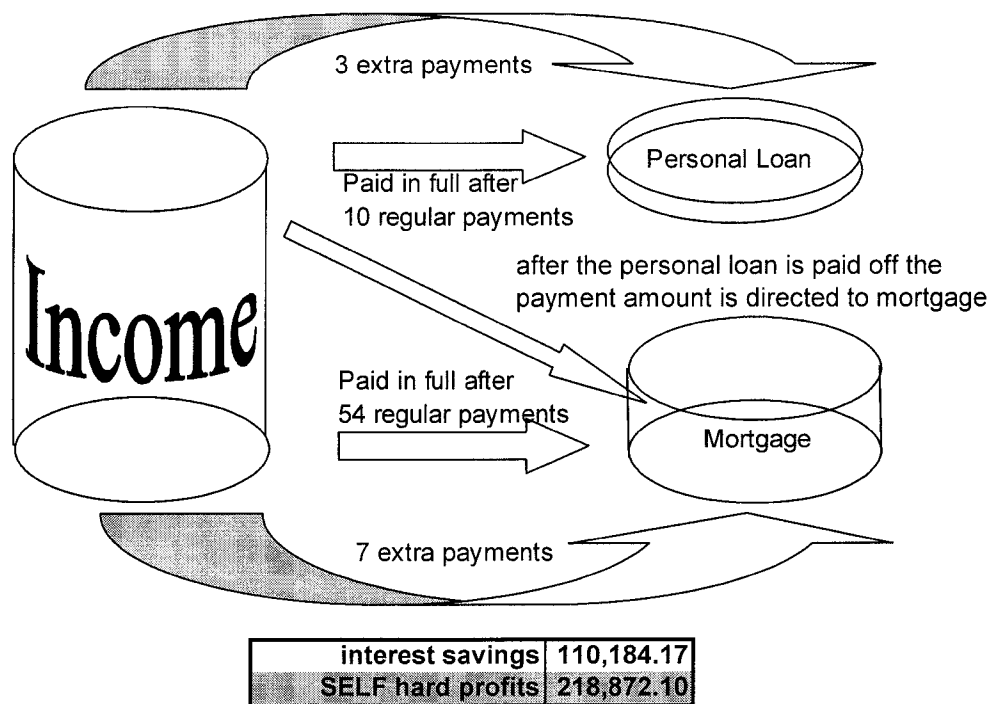


Fig.5
Maximized Profits